

ted November 7th, he describes the condition of the foreign markets and of Maryland stocks, and then proceeds to state, that "under all circumstances, I declined selling the bonds of the rail road company at these low prices; preferring to place them in the hands of some competent house, to be sold as favorable opportunities offer, *and to obtain as large advances as possible, in anticipation of sales.* Brown would have undertaken the agency to sell, but declined stipulating for any advances whatever, even at remote dates; and I ultimately succeeded in making an arrangement with the house of Messrs. Baring, Brothers & Co., who have also agreed to make such advances in anticipation of sales, as I hope will ensure the moderate and steady prosecution of the work with which I am connected."

In the same letter he says, "I am sorry to say too, *from the situation in which the bonds sent forward by the canal company have been put,* it is seriously to be apprehended that these bonds will yet be sold at even lower prices than have yet been quoted; *but until the necessities of the work with which I am connected are more urgent than they have been, I cannot consent to assist in placing the credit of the State abroad so low.*"

In a letter of the 23d of September, after speaking of the causes which raised the rate of interest and depressed the price of stocks, he says: "in addition to these causes, *the immense amount of American securities of almost every description, both of States and private corporations, including banks, in the foreign markets, and the necessities of many of the holders, which obliged them to sell at almost any price, exerted a powerful influence in depressing their value.* The bonds of the State of Maryland were of course affected by these causes, and they were especially depressed in consequence of the forced sales which some of the holders of the sterling bonds were compelled to make, although in small quantities, at very reduced prices. *A considerable amount of the Maryland sterling bonds were understood to be in this situation, and awaiting sales at even lower prices.*"

After stating the probable difficulty of making sales for some years to come, he goes on to say, "I therefore felt it an imperative duty upon me to place the stock in my hands in a train of sale, when circumstances should render it expedient and practicable; and, looking to the interests of the rail road company and the credit of the State, my great desire was, in the mean time, to secure two points:"

"1st. *The advance of such an amount of capital as the necessities of the company might require;* and second, to secure such an agency as would be able to sustain the credit of the State, and in the event of sale, obtain the best price for the stock. *Under the circumstances in which I was placed, I found the establishment of an agency, even without the obligation to make advances, a matter of difficulty.*"

I have underscored such parts of the foregoing extracts as show that the company had entered into the system of hypothe-